GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:832
ANSWERED ON:04.03.2005
STATE ELECTRICITY BOARDS
Adhalrao Patil Shri Shivaji

Will the Minister of POWER be pleased to state:

(a) whether the Government is aware that the condition of State Electricity Boards is deteriorating day by day;

(b) if so, the reasons therefor;

(c) the measures taken by the Government to improve the condition of the State Electricity Boards;

(d) whether some concrete directions have been issued to the State Governments in this regard; and

(e) if so, the details thereof?

Answer

THE MINISTER OF POWER (SHRI P.M. SAYEED)

(a) to (e) : As per the latest annual report of the Planning Commission on the working of State Electricity Boards the commercial losses (without subsidy) of the SEBs increased from Rs. 4560 crore in 1992-93 to Rs.25259 crore in 2000-01 and were projected to increase to Rs.33177 crore in 2001-02. This ever increasing trend of commercial has been arrested. Some of the State Utilities have reported improved financial performance.

Power shortages, weak financial position of the utilities due to high Aggregate Technical & Commercial (AT&C) losses and distortion in the tariff structure are major reasons for poor condition of utilities.

The Government of India has initiated various steps to revive the poor financial health of SEBs/Power Utilities. The Ministry of Power has signed Memorandum of Understanding (MoU)/Memorandum of Agreement (MoA) with States on power sector reform envisaging support of Central Government subject to States progressing satisfactorily on agreed reform agenda. The Union Government, in order to help the State Utilities is providing funds to States under Accelerated Power Development and Reforms Programme (APDRP) for investment in identified distribution areas for, inter alia, reducing technical losses and improving the quality of supply and also for incentivising, through grants, reduction of cash losses. Past debts of SEBs due to Central Public Sector Undertakings have been securitised under tripartite agreements.

Six States have been provided incentive under APDRP for actual reduction in losses. State-wise details are as under:

Sl. No.	States	Incentive released (Rs. Crores) Total
1.	Andhra Pradesh	265.11
2.	Gujarat	236.38
3.	Haryana	105.49
4.	Maharashtra	137.89
5.	Rajasthan	137.71
6.	West Bengal	73.00
	Total	955.58